

FERTILIZER AND  
MINING DIVISION



*File*

# Stauffer Chemical Company

P. O. Box 160 / 720 Washington St. / Montpelier, Idaho 83254 / Tel. (208) 847-2185

March 21, 1980

**RECEIVED**  
MAR 24 1980

DIVISION OF  
OIL, GAS & MINING

Ms. Mary Ann Wright  
Reclamation Biologist  
Division of Oil, Gas, and Mining  
1588 West North Temple  
Salt Lake City, Utah 84116

Re: Vernal Mined Land Reclamation Contract

Dear Ms. Wright:

As discussed with you over the telephone this afternoon, I am sending, for review by you and Denise Dragoo, Stauffer's comments on the Draft Mined Land Reclamation Contract.

Attached is my letter to Mr. Waiss which outlines Stauffer's basic concerns as I see them. Mr Waiss' comments were:

1. Paragraph #2. I agree with you that it would be nice to avoid a commitment to a specific dollar minimal annual expenditure. If you must accept a minimum, the amount should be one related to the minimum number of acres you expect to reclaim. I fully agree with you that "best available technology" is an undesirable requirement. It would appear to permit them to call for anything they wanted. When they refer to a \$25,000 minimum "for each three year period of mining activity", I assume that they do not want to calculate that time period retroactively. I would like a word or two to make it clear that we are only talking about future activity.
2. Paragraph #3. Reducing the 40 acre figure will have to be negotiated. The last phrase in that paragraph is not clear to me.

Stauffer Chemical Company

Ms. Mary Ann Wright

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3. Paragraph #5. The intent of this paragraph is undoubtedly to say that the making of the minimum expenditure will not necessarily fulfill the full obligation to reclaim. The wording, however, could be clearer.
4. Paragraph #7. You might get them to agree to a less frequent than annual development of a reclamation plan. If an annual review is insisted upon, however, I would think that it would be unlikely to cause a major problem. In the absence of changed circumstances, you probably could send them a duplicate of the previous year's plan and get an approval.
5. Paragraph #11. I would like to insert the word "its" before "performance" in the last line of the paragraph. This somewhat limits the scope of your indemnification.
6. With reference to the Termination Agreement, I would think that such provisions should be made part of the contract itself rather than set up as a separate document. In paragraph #1 of the Termination Agreement, I would also like to insert a provision requiring them to give you notice of a claimed breach on your part and to afford you a reasonable period to remedy the breach before the contract could be terminated.

After reviewing our concerns, you and your legal counsel will be in a better position to determine if this issue can be resolved at our level or whether it should be done by both legal counsels. I await your recommendation on how to proceed from here.

Sincerely,

STAUFFER CHEMICAL COMPANY



Thomas J. Scheffel  
Chief Mine Engineer

bkt

cc: D. L. King, Jr.  
F. L. Riding

TJS

FERTILIZER AND  
MINING DIVISION



# Stauffer Chemical Company

Star Route / Randolph, Utah 84064 / Telephone (307) 877-3901

January 7, 1980

Mr. Fred Waiss  
O'Donnell, Waiss, Wall and Meschke  
Suite 2201  
One Embarcadero Center  
San Francisco, California 94111

Re: Vernal Mined Land Surety Contract

Dear Mr. Waiss:

Will you please review the attached draft MINED LAND RECLAMATION CONTRACT prepared for Stauffer by an attorney representing the Utah Division of Oil, Gas, and Mining.

We are still trying to iron out Stauffer's requirements under the Utah Mined Land Reclamation Act. One of the requirements, not yet resolved, is that Stauffer will provide some form of surety. We asked the Division to submit a proposal that could be reviewed by Stauffer's legal counsel.

In our latest correspondence with the Division, we indicated that we had received their proposal and are passing it along. The draft document will be reviewed and, if warranted, Stauffer will submit a counter proposal.

I am attaching a copy of the MINED LAND RECLAMATION CONTRACT signed by Kennecott Copper Corp. and a copy of Stauffer's proposed Long Range Revegetation Program for your review. Kennecott's document will give you an idea of what was previously approved, and the Long Range Program outlines Stauffer's intent.

I have the following comments concerning the draft AGREEMENT:

1. Paragraph #1. No comment.
2. Paragraph #2. (a) I see no reason to commit to a specific amount to be spent on reclamation. The objective of the Utah Mined Land Reclamation Act is to see that the land gets reclaimed, not to see that money gets spent. (b) At the current anticipated rate of mining, 30 - 35 acres will be disturbed each year. The minimum cost of reclaiming this land will be about \$500 per acre. (c) By using the "best available technology", practically anything can be reclaimed at a cost. For Vernal, that cost could be excessive, because we still don't know exactly what type of reclamation activity is required to put that land into equal or better condition. Hopefully, the experimental revegetation plots already established at Vernal will show what needs to be done.

3. Paragraph #3.

(a) Thirty to thirty-five acres is a better figure. The total number of acres disturbed at Vernal is broken down as follows:

	<u>Pre 1975</u>	<u>Since 1975</u>	<u>Total</u>
Plant Site		88	88
Tailings Dam #1		29	29
Tailings Dam #2		67	67
Mines & Dumps	388	42	433
Haulroads	N/A	26	26
Access Roads	N/A	19	19
Misc. Roads	<u>12</u>		<u>12</u>
	400	270	670

The plant site, tailings dams, haulroads, and access roads will not become available for reclamation until the property is abandoned. Only the mine and dump areas will be available for reclamation on an annual basis. Having to reclaim more land than we disturb annually will force Stauffer to reclaim land disturbed prior to 1975. We intend to do a great deal of reclamation work on pre 1975 land, but Stauffer should do it because it is the proper thing to do, not because the State forced it.

4. Paragraph #4.

(a) I think it would be wise to stay away from committing to a pre-determined annual expenditure. In reclaiming the land, it might be better to reclaim a large acreage one year and do nothing the next. Also, Stauffer would be obligated to do reclamation work during years that the entire operation might be shut down.

5. Paragraph #5.

(a) The primary objective is mined land reclamation.

6. Paragraph #6.

(a) No comment.

7. Paragraph #7.

(a) I think major changes in an agreed upon plan should probably be worked out jointly with the Division, but I see no reason for it being done annually.

8. Paragraph #8.

(a) No comment.

9. Paragraph #9.

(a) No comment.

10. Paragraph #10.

(a) No comment.

11. Paragraph #11.

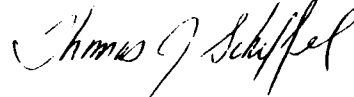
(a) No comment.

12. Paragraphs #1 and #2 under "The Board Agrees as Follows:"  
(a) No comment.
13. CORPORATE ACKNOWLEDGMENT  
(a) No comment.
14. TERMINATION  
(a) Agreeing to a termination clause such as this would probably give the Division an opportunity to terminate the agreement at their whim and renew the agreement only if Stauffer will agree to the more stringent mined land reclamation requirements that evolved since the AGREEMENT was signed.  
(b) My copy of the Act is enclosed in case you don't have one.

Fred Riding or I will be able to answer any questions you might have. Attention to this matter at your earliest convenience will be greatly appreciated.

Sincerely,

STAUFFER CHEMICAL COMPANY



Thomas J. Schell  
Chief Engineer

TJS/bkt

Enclosures

cc: D. L. King, Jr.  
F. L. Riding